

# **EXHIBIT 38**

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**MILWAUKEE GAS LIGHT COMPANY**

626 EAST WISCONSIN AVENUE

MILWAUKEE 1, WISCONSIN

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RATES & RESEARCH

GLENN R. CHAMBERLAIN  
PRESIDENT

3 November 1949

Public Service Commission of Wisconsin  
State Office Building  
Madison, Wisconsin

PUBLIC SERVICE COMM.  
OF WISCONSIN

1949 NOV 4 AM 8 14

TELEPHONE  
DAILY 8-6720

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Re: Approval of Proposed Contract between  
Milwaukee Gas Light Company and  
American Natural Gas Service Company

Dear Sirs:

Pursuant to the provisions of Section 196.52 of the Wisconsin Statutes we herewith submit for written approval by the Commission a verified copy of a form of contract which Milwaukee Gas Light Company ("Gas Company") proposes to enter into with American Natural Gas Service Company ("Service Company"), a Michigan corporation.

When the organization of the Service Company has been completed, that Company and the Gas Company will be "affiliated interests" as defined in Section 196.52 (1)(c)(e) of the Statutes by virtue of the fact that the two companies will have one or more directors in common and all the outstanding common stock of the Service Company and substantially all the common stock of the Gas Company will be owned by a common parent, American Natural Gas Company.

Complete information regarding the organization and proposed operations of the Service Company is set forth in the enclosed document marked Exhibit A, which is a copy of a Declaration by the Service Company, dated October 20, 1949 on S.E.C. Form U-13-1, which Declaration has been filed with the Securities & Exchange Commission pursuant to its Rule U-88. We are informed and believe that no action has as yet been taken by that Commission with respect to such Declaration.

The advantages to the Gas Company of the proposed arrangement are set forth in the answer to Item 17 on page 10 of the enclosed Declaration, Exhibit A hereto. As there stated, the Service Company will have a staff who, with few exceptions, are thoroughly familiar with the operations, problems and affairs of the Gas Company by reason of the fact that they were formerly officers or personnel of either The United Light and Railways Service Company or of other companies affiliated with the Gas Company.

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The Gas Company has had a similar arrangement with The United Light and Railways Service Company for more than ten years under a contract which was approved in writing by the Public Service Commission on October 25, 1939, in its file number 2-U-1438. The United Light and Railways Service Company is in process of liquidation, thus necessitating the making of other provisions for obtaining such services.

If the Gas Company is able to employ the services at cost of an experienced service organization familiar with its problems, the Gas Company can operate more efficiently and economically than it would be able to do if it were necessary to augment its own staff with experts or to retain from time to time independent persons not having such intimate knowledge of its problems.

The parties are desirous of entering into the contract as soon as possible and if any further information is desired with respect to the proposed arrangement we shall be glad to discuss it with the Commission or its staff.

It is believed that the contract submitted herewith is clearly reasonable and consistent with the public interest, and is in the best interests of the Gas Company, and the Commission is respectfully requested to give said contract its written approval pursuant to Section 196.52 (3) of the Statutes.

Sincerely yours,

  
Glenn R. Chamberlain  
President

Miller, Mack & Fairchild  
Counsel

Encl.